

VZCZCXRO8426
PP RUEHMA RUEHPA
DE RUEHOS #0065/01 0421206
ZNR UUUUU ZZH
P 111206Z FEB 09
FM AMCONSUL LAGOS
TO RUEHC/SECSTATE WASHDC PRIORITY 0491
INFO RUEHZK/ECOWAS COLLECTIVE
RUEHUJA/AMEMBASSY ABUJA 0112
RUFOADA/JAC MOLESWORTH AFB UK
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHDC
RHMCSUU/DEPT OF ENERGY WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RUEWMFD/HQ USAFRICOM STUTTGART GE

UNCLAS SECTION 01 OF 04 LAGOS 000065

SENSITIVE
SIPDIS

DOE FOR GPERSON, CHAYLOCK
DEPARTMENT PASS TO USTR-AGAMA
TREASURY FOR PETERS, IERONIMO, AND HALL
DOC OF 3317/ITA/OA/KBURRESS AND 3130/USFC/IOI/ANESA/CREED
USAID/AFR FOR ATWOOD

E.O. 12958: N/A
TAGS: [ENRG](#) [EPET](#) [ECON](#) [EINV](#) [PGOV](#) [NI](#)
SUBJECT: NIGERIA: QUARTERLY STATUS REPORT OF SOUTHERN POWER
PROJECTS

¶1. (U) To better understand the myriad of rumored, proposed, planned, and current power projects in southern Nigeria, Post has compiled a list of known independent power projects (IPPs) in the South-South, South-East, and South-West and their status of as 1 February 2009. A list of GON-financed power plants currently under development in southern Nigeria is also included. However, operational, GON-owned power plants, like the Egbin power station, are not included. The list was developed using information from the Nigerian Electricity Regulatory Commission (NERC), Mission contacts, press reporting, and construction contractor websites. Post plans to review and update the list quarterly to inform those readers interested in the electricity sector and the state of power development in southern Nigeria. Post welcomes feedback from interested readers and suggestions for additional information that readers would like included in future updates.

¶2. (SBU) It is important to note that the Chairman and senior members of the NERC have recently been arrested by the country's Economic and Financial Crimes Commission. We will be following up on the reasons for the arrests, but early rumors suggest illicit enrichment.

IPPs Completed, Generating Power

¶3. (U) The following are operating IPPs transmitting power to customers. NERC began requiring and issuing licenses for IPPs in August 2006. Hence some projects sought licenses after during construction or after completion and commencement of operations.

--Project: Nigerian Agip Oil Co, Kwale-Okpai, Delta State, 480MW on-grid.
Note: License awarded November 2007. Plans to add additional 480MW delayed due to dispute with Power Holding Company of Nigeria over terms of power purchase agreement.

--Project: AES Nigeria Barge, Apapa, Lagos State, 270MW on-grid.
Note: License awarded November 2007. AES in international arbitration with Power Holding Company of Nigeria over terms of power purchase agreement.

--Project: Shell Petroleum Development Corporation Afam VI, Afam, Rivers State, 642MW on-grid.
Note: License awarded June 2007. Began power generation October 2008. Part of larger power plant complex known as Afam. Intermittent operation due to "militant" attacks on oil pipelines in area.

IPPs Completed, Not Generating Power

¶4. (U) The following IPPs have been completed, but are not generating power. Supplies of natural gas to domestic customers remains problematic. Poor gas regulation, confused gas pricing policies, and "militant" activity in the Niger Delta are the main reasons.

--Project: Ibom Power Ltd, Ikot Abasi, Akwa Ibom State, 190MW on-grid.
Note: License awarded May 2008. Lacks gas supply.

--Project: First Independent Power Company Ltd, Omoku, Rivers State, 150MW on-grid.
Note: License awarded May 2007. Owned by Rivers State government. Lacks gas supply.

--Project: First Independent Power Company Ltd, Trans-Amadi, Rivers State, 136MW on-grid.
Note: License awarded May 2007. Owned by Rivers State government. Lacks gas supply.

LAGOS 00000065 002 OF 004

--Project: First Independent Power Company Ltd, Eleme, Rivers State, 95MW on-grid.
Note: License awarded May 2007. Owned by Rivers State government. First 25MW completed. 70MW expansion under construction. Lacks gas supply.

IPPs Under Construction:

¶5. (U) The following projects are in various stages of construction. Commencement of construction does not imply the project has a power off-take or gas supply agreement.

--Project: Geometric Power Limited, Aba, Abia State, 140MW off-grid.
Note: License awarded December 2006. For commercial and residential customers in Aba. Nearing completion. Has gas supply agreement.

--Project: Ethiopie Energy Limited, Ogorode Sapele, Delta State, 2800MW on-grid.
Note: License awarded August 2006. Contractor reportedly commenced site preparation.

--Project: Ikorodu Industrial Power Ltd (Negris), Ikorodu, Lagos, State, 39MW off-grid.
Note: License awarded December 2006. For industrial customers in Ikorodu.

--Project: Ewekoro Power Ltd (Negris), Ewekoro Ogun State, 12.5MW off-grid.
Note: License awarded December 2006. Embedded generation of for Ewekoro Cement Company.

IPP License Awarded by NERC, No Construction

¶6. (U) The following projects have been awarded IPP licenses from NERC, but construction has not begun. Applicants for IPP licenses do not have to demonstrate economic feasibility of the project nor have approved fuel purchase or power off-take agreements. Mission contacts working in the sector suspect some of these companies may have obtained licenses as

speculative ventures and have no intention of building power plants.

--Project: ICS Power Ltd, Alaoji, Abia State, 624MW on-grid.
Note: License issued August 2006. Status unknown.

--Project: Supertek Nigeria Ltd, Akwete, Abia State, 1,000MW on-grid.
Note: License awarded August 2006. Status unknown.

--Project: Minaj Holdings Ltd, Nike, Enugu State, 190MW on-grid.
Note: License awarded February 2008. Only planned coal-fired IPP. Status unknown.

--Project: Anita Energy Ltd, Agbara, Lagos State, 90MW on-grid.
Note: License awarded April 2007. Status Unknown.

--Project: Westcom Technologies and Energy Services, Lekki, Lagos State, 50MW off-grid.
Note: License awarded February 2007. For private residential/commercial complex on Lekki Peninsula. Status unknown.

--Project: Energy Company of Nigeria (Negris), Ikorodu, Lagos State, 140MW on-grid.
Note: License awarded January 2008. Planned on-grid expansion of the Ikorodu 39MW off-grid project (See above) currently under construction.

--Project: Westcom Technologies and Energy Service, Sagamu,
LAGOS 00000065 003 OF 004

Ogun State, 1,000MW on-grid.
Note: License awarded August 2006. Status unknown

--Project: Farm Electric Supply, Ota, Ogun State, 150MW on-grid.
Note: License awarded August 2006. Status unknown.

--Project: Bresson Nigeria Ltd, Magboro, Ogun State, 60MW on-grid.
Note: License awarded April 2007. Status unknown.

--Project: Ibafo Power Station Ltd, Ibafo, Ogun State, 200MW on-grid.
Note: License awarded May 2007. Status unknown. Local press reports a dispute between developer and local church over access to proposed construction site.

--Project: Hudson Power Ltd, Warawa, Ogun State, 150MW on-grid.
Note: License awarded May 2007. Status Unknown.

--Project: Agbara Shoreline Power Ltd, Agbara, Ogun State, 100MW on-grid.
Note: License awarded September 2007. Status Unknown.

--Project: Index Thermal, Onne, Rivers State, 1800MW on-grid.
Note: License awarded November 2007. Status unknown

--Project: Notore Power Ltd, Onne, Rivers State, 50MW on-grid.
Note: License awarded September 2008. To be sited on location of defunct fertilizer plant. Status unknown.

IPPs Proposed or Planned, Not Licensed

17. (U) These are proposed or planned projects for which no evidence of a NERC license can be found. While they are occasionally are mentioned in local industry trade publications or general new stories about electricity in Nigeria, the status of these projects is in doubt.

--Project: Chevron Agura IPP, Delta State, unknown, assumed

on-grid.

Note: Groundbreaking ceremony held in April 2007.
Subsequent status unknown.

--Project: Total Egi Power Station, Egi, Rivers State, 440MW,
on-grid.

Note: Mentioned by Total on its Nigerian website. To be
located in a community in Total's oil block OML 158. Status
unknown.

Federal Government Financed Power Plants

18. (U) The National Integrated Power Project (NIPP) was
launched in 2004 by former President Obasanjo as a program to
rapidly expand power generating capacity in Nigeria. The
program has been beset by delays and accusations of
corruption. It is difficult to get an accurate picture of
the scope of the NIPP; different sources put the number of
southern NIPP power stations at between five and eight. Post
believes the plants listed below constitute the NIPP in
southern Nigeria. These GON-owned and financed plants are in
various stages of development, but to date no plant has
installed turbines. Contacts report that 18 GE turbines are
in ports in Nigeria awaiting installation in these NIPP
facilities.

--Project: Alaoji Power Station, Alaoji, Abia State, 540MW
(1074MW) on-grid.

Note: Two phase project. Phase one to build 504MW simple
cycle plant. Phase two will upgrade facility to 1074MW
combined cycle plant. Construction ongoing.

LAGOS 00000065 004 OF 004

--Project: Gbarian Ubie Power Station, Gbarian, Baylesa
State, 252MW on-grid.

Note: Plant estimated 10 percent complete. Community unrest
hampering contractor access to site. No natural gas
connection.

--Project: Calabar Power Station, Calabar, Cross River State,
1000MW, on-grid.

Note: Plant estimated to be 60 percent complete. No natural
gas connection.

--Project: Sapele Power Station, Sapele, Delta State, 451MW,
on-grid.

Note: Expansion of existing 1020MW Sapele power station.
Construction estimated 30 percent complete. Gas supply to
existing power plant intermittent.

--Project: Ihovbor Power Station, Benin City, Edo State,
900MW, on-grid.

Note: Plant estimated to be 70 percent complete. No natural
gas connection. Sometimes referred to as the "Eyeon" power
station.

--Project: Ikot-Abasi (ALSCON) Power Station, Ikot Abasi,
Akwa-Ibom State, 300MW, on grid.

Note: Contract yet to be awarded. Co-located with ALSCON
aluminum smelter.

--Project: Egbema Power Station, Egbema, Imo State, 378MW
on-grid.

Note: Plant estimated to be 20 percent complete. No natural
gas connection.

--Project: Omoku Power Station Phase II, Omoku, Rivers State,
252MW on-grid.

Note: Co-located with the First Independent Power Company
IPPs listed above. Expansion of existing power GON-owned
facility at Omoku. Construction ongoing.

19. (U) This cable cleared by Embassy Abuja.
BLAIR